

Remarks

Reconsideration of this Application is respectfully requested.

Status of Claims

Upon entry of the foregoing amendment, claims 1-5, 8, 9, 11-18, and 21-35 are pending in the application, with claims 1 and 21 being the independent claims. Claims 19 and 20 were previously withdrawn without prejudice to or disclaimer of the subject matter therein. Claims 6, 7, and 10 are canceled without prejudice to or disclaimer of the subject matter therein. Claims 1, 8, 11, and 15-17 are amended. New claims 21-35 are added. These changes are believed to introduce no new matter, and their entry is respectfully requested.

Based on the above amendment and the following remarks, Applicants respectfully request that the Examiner reconsider all outstanding objections and rejections and that they be withdrawn.

Rejections under 35 U.S.C. § 101

Claims 1-18 were rejected under 35 U.S.C. § 101 because these claims are allegedly directed to nonstatutory subject matter. Based on the foregoing amendments, claims 6, 7, and 10 have been canceled, thereby rendering the rejection of these claims moot. With respect to claims 1-5, 8, 9, and 11-18, Applicants respectfully traverse.

As currently amended, independent claim 1 recites a method for processing a payment from a financial account, comprising:

receiving, from a buyer having a financial account, an identification of a supplier's invoice including an invoiced amount and a payment term selected by the supplier;

receiving an approval to pay the supplier's invoice using the financial account; and

providing, to the supplier, a payment in accordance with the selected payment term, the payment comprising an amount equal to the invoiced amount less (i) a flat transaction fee, (ii) a risk intermediate fee based on the invoiced amount, and (iii) a financing fee based on the selected payment term.

Independent claim 1 is patent-eligible under § 101 because independent claim 1 satisfies the transformation prong of the Federal Circuit's machine-or-transformation test for determining patent-eligible subject matter under § 101. *See In re Bilski*, No. 2007-1130 (Fed. Cir. Oct. 30, 2008) (*en banc*). According to the machine-or-transformation test, “[a] claimed process is surely patent-eligible under § 101 if: (1) it is tied to a particular machine or apparatus, *or* (2) it transforms a particular article into a different state or thing.” *Id.*, slip op. at 10 (emphasis in original).

The Federal Circuit noted that “[t]he main aspect of the transformation test that requires clarification here is what sorts of things constitute ‘articles’ such that their transformation is sufficient to impart patent-eligibility under § 101.” *Id.* at 24-25. Although “[i]t is virtually self-evident that a process for a chemical or physical transformation of **physical objects or substances** is patent-eligible subject matter,” the Federal Circuit correctly recognized that “[t]he raw materials of many information-age processes, however, are electronic signals and electronically-manipulated data.” *Id.* at 25 (emphasis in original). Importantly, the transformation of such electronically-manipulated data may be sufficient to render a process claim patent-eligible, provided the “data clearly represent[s] physical and tangible objects.” *Id.* at 26 (citing, with approval, *In re Abele*, 684 F.2d 902 (CCPA 1982)). In fact, such a claim is “not required

to involve any transformation of the underlying physical object that the data represent[s].” *Id.*

Independent claim 1 transforms a representation of a physical and tangible object (i.e., “an identification of a supplier’s invoice”) into a different state or thing (i.e., “a payment”). In particular, independent claim 1 recites “receiving . . . an identification of a supplier’s invoice including an invoiced amount and a payment term selected by the supplier.” And the method of independent claim 1 transforms the “identification of a supplier’s invoice” to “provid[e] . . . a payment in accordance with the selected payment term.”

Thus, independent claim 1 is patent-eligible under § 101 in accordance with the transformation prong of the machine-or-transformation test articulated in *Bilski*. Dependent claims 2-5, 8, 9, and 11-18 are likewise patent-eligible under § 101 for at least the same reason as independent claim 1. Accordingly, Applicants respectfully request that the rejection of claims 1-5, 8, 9, and 11-18 under 35 U.S.C. § 101 be reconsidered and withdrawn.

Rejections under 35 U.S.C. § 102

Claims 1-5 and 16-18 were rejected under 35 U.S.C. § 102(e) as being allegedly anticipated by U.S. Publication No. 2005/0027654 to Adrian (“Adrian”). Applicants respectfully traverse.

According to the Specification, “[t]here are three primary reasons why previous attempts to capture high-dollar corporate spend have been unsuccessful”:

First, the traditional discount rate (generally 1.8%-2.5%) charged to suppliers in standard credit transactions discourages vendors from accepting transactions involving higher dollar amount because of the

increasing revenue lost to paying the discount rate. Second, the inability of previous credit transaction systems to provide payment upon approval of an invoice adds complexity to a buyer's accounting practices, thus discouraging buyer's from using credit accounts for large transaction amounts. Third, there is insufficient data provided in standard credit transactions to enable tailoring of payment terms to accommodate both buyers and sellers needs in high-dollar transactions.

(Spec. ¶ [0017].)

To address these problems, the Specification discloses methods and apparatus for "forming a system in which high-dollar corporate purchasing transactions are readily accommodated." (Spec. ¶ [0006].) "In particular, it would be advantageous to replace the traditional discount rate with a pricing structure that is more palatable to sellers and which adequately ensures continued profitability with mitigated risk to any financial institution offering the new pricing structure." (*Id.* at [0020].) For example, independent claim 1 recites a method for processing a payment having a three-component pricing structure. The method of claim 1 comprises:

receiving, from a buyer having a financial account, an identification of a supplier's invoice including an invoiced amount and a payment term selected by the supplier;

receiving an approval to pay the supplier's invoice using the financial account; and

providing, to the supplier, a payment in accordance with the selected payment term, the payment comprising an amount equal to the invoiced amount less (i) a flat transaction fee, (ii) a risk intermediate fee based on the invoiced amount, and (iii) a financing fee based on the selected payment term.

Independent claim 1 is patentable over Adrian because Adrian does not disclose within its four corners all the features of claim 1 as arranged and combined in claim 1.

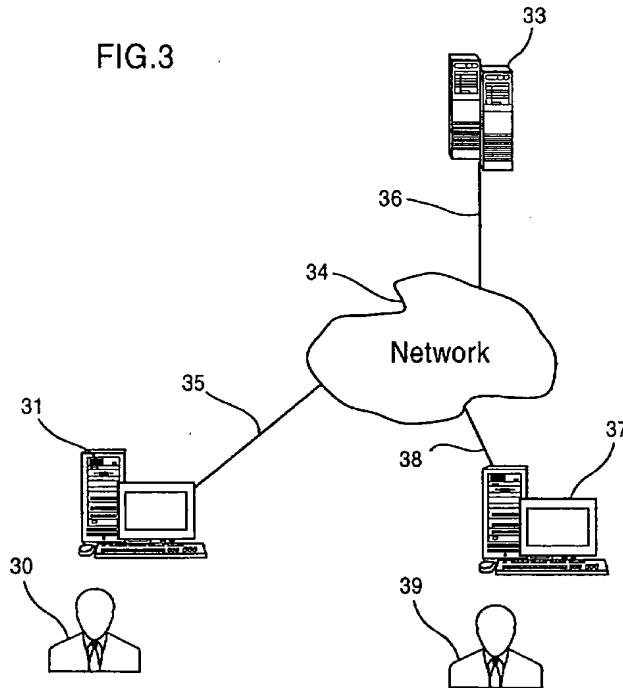
See Net MoneyIn, Inc. v. Verisign, Inc., No. 2007-1565, slip op. at 17-18 (Fed. Cir. Oct. 20, 2008) ("[U]nless a reference discloses within the four corners of the document not

only all of the limitations claimed but also all of the limitations arranged or combined in the same way as recited in the claim, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102.”). The Examiner admits that Adrian does not teach or suggest the payment comprising an amount equal to the invoiced amount less “a flat transaction fee” and “a risk intermediate fee,” as currently recited in independent claim 1. (*See* Office Action pp. 5-6 (discussing previously presented claims 6 and 10).) Accordingly, Adrian does not anticipate independent claim 1.

Thus, independent claim 1 is patentable over Adrian. Dependent claims 2-5 and 16-18 are likewise patentable over Adrian for at least the same reasons as independent claim 1 from which they depend, and further in view of their own respective features. Accordingly, Applicants respectfully request that the rejection of claims 1-5 and 16-18 under 35 U.S.C. § 102(e) be reconsidered and withdrawn.

Despite the Examiner’s assertion to the contrary (*see id.*), Erbey also does not teach or suggest the “flat transaction fee,” “risk intermediate fee,” and “financing fee” as currently recited in independent claim 1. Erbey is directed to “systems and methods for managing real estate transactions between a real estate owner or other property holder and one or more vendors.” Erbey ¶ [0031]. According to Erbey, FIG. 3 (which is reproduced below) “presents an exemplary system diagram of various hardware components and other features . . .” *Id.* ¶ [0079].

FIG.3



Referring to FIG. 3, the exemplary system of Erbey includes a terminal 31 that may be used by a vendor 30, a terminal 37 that may be used by a real estate owner or payor 39, and a server 33. The terminal 31, terminal 37, and server 33 are coupled to each other via a network 34. According to Erbey, a vendor (such as, vendor 30) may enroll in Erbey's system by interacting with various graphical user interfaces (GUIs) displayed on terminal 31. Erbey ¶¶ [0095]-[0101]. Similarly, a real estate owner (such as, real estate owner 39) may review and approve a budget displayed on terminal 37. Erbey ¶¶ [0107]-[0109]. After the real estate owner approves the budget, a work order is generated for the vendor. Erbey ¶¶ [0110]-[0113]. "The vendor delivers the order or otherwise provides goods or services described in the work order, and creates an invoice." Erbey ¶ [0114].

Although Erbey states that invoice may include the assessment of transaction fees (Erbey ¶ [0115]), Erbey does not teach or suggest a three-component fee — including a

flat transaction fee, a risk intermediate fee, and a financing fee — as in independent claim 1. Rather, Erbey merely states that the transaction fee “may be or include a flat transaction fee, or a percentage of invoiced amount or the confirmed order amount.” Erbey ¶ [0115]. Because Erbey does not teach a three-component fee (as in independent claim 1), Erbey cannot accommodate high-dollar corporate purchasing transactions (like the method of independent claim 1). Accordingly, Erbey fails to teach or suggest, for example, “providing, to the supplier, a payment in accordance with the selected payment term, the payment comprising an amount equal to the invoiced amount less (i) a flat transaction fee, (ii) a risk intermediate fee based on the invoiced amount, and (iii) a financing fee based on the selected payment term,” as in independent claim 1.

In summary, neither Adrian nor Erbey, alone or in combination, teach or suggest each and every feature of independent claim 1. Thus, independent claim 1 as currently amended is patentable over Adrian and Erbey. Dependent claims 2-5 and 16-18 are likewise patentable over Adrian and Erbey for at least the same reasons as independent claim 1 from which they depend, and further in view of their own respective features.

Rejections under 35 U.S.C. § 103

Claims 6, 7, 10-12, and 15

Claims 6, 7, 10-12, and 15 were rejected under 35 U.S.C. § 103(a) as being allegedly obvious over Adrian in view of U.S. Publication 2005/0144125 to Erbey et al. (“Erbey”). Based on the foregoing amendments, claims 6, 7, and 10 have been canceled, thereby rendering the rejection of these claims moot. With respect to claims 11, 12, and 15, Applicants respectfully traverse.

As set forth above, independent claim 1 is patentable over Adrian and Erbey. Dependent claims 11, 12, and 15 are likewise patentable over Adrian and Erbey for at least the same reasons as independent claim 1 from which they depend, and further in view of their own respective features. Accordingly, Applicants respectfully request that the rejection of claims 11, 12, and 15 under 35 U.S.C. § 103(a) be reconsidered and withdrawn.

Claims 8, 9, 13, and 14

Claims 8, 9, 13, and 14 were rejected under 35 U.S.C. § 103(a) as being allegedly obvious over Adrian in view of Erbey and further in view of U.S. Patent No. 6,167,385 to Hartley-Urquhart (“Hartley-Urquhart”). Applicants respectfully traverse.

As set forth above, independent claim 1 is patentable over Adrian and Erbey and is presumptively patentable over Hartley-Urquhart, because Hartley-Urquhart was not applied to reject independent claim 1. Dependent claims 8, 9, 13, and 14 are likewise patentable over Adrian, Erbey, and Hartley-Urquhart for at least the same reasons as independent claim 1 from which they depend, and further in view of their own respective features. Accordingly, Applicants respectfully request that the rejection of claims 8, 9, 13, and 14 under 35 U.S.C. § 103(a) be reconsidered and withdrawn.

New Claims 21-35

Based on the foregoing amendments, Applicants have added new claims 21-35, with claim 21 being the only new independent claim. Independent claim 21 is directed to a computer-program product corresponding to the method recited in independent claim 1. Accordingly, independent claim 21 is patentable over the references of record for at least the same reasons as independent claim 1, and further in view of its own

features. Dependent claims 22-35 are likewise patentable over the references of record for at least the same reasons as independent claim 21 from which they depend, and further in view of their own respective features. Accordingly, Applicants respectfully request that claims 21-35 be considered and allowed.

Conclusion

All of the stated grounds of objection and rejection have been properly traversed, accommodated, or rendered moot. Applicants therefore respectfully request that the Examiner reconsider all presently outstanding objections and rejections and that they be withdrawn. Applicants believe that a full and complete reply has been made to the outstanding Office Action and, as such, the present application is in condition for allowance. If the Examiner believes, for any reason, that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at the number provided.

Prompt and favorable consideration of this Amendment and Reply is respectfully requested.

Respectfully submitted,

STERNE, KESSLER, GOLDSTEIN & FOX P.L.L.C.



Jonathan Tuminaro
Agent for Applicants
Registration No. 61,327

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1100 New York Avenue, N.W.
Washington, D.C. 20005-3934
(202) 371-2600